



FY2020-21 BUDGET STUDY SESSION

**PROPOSED
BUDGET RETREAT**

**CITY COUNCIL
BUDGET STUDY SESSION**

Jovan D. Grogan, City Manager &
Senior Leadership Team

May 27, 2020

Budget Study Session - Welcome



“The Budget is the key to the City. If you want to see what the City cares about, look at how they allocate the money.”

-Robert Bobb

❖ Simple Ground Rules

- Respect fellow Councilmembers, staff, and the public
- Look forward, not behind
- Ask questions!

Budget Study Session Goals



Depart this room...

- with a deeper understanding of the City of San Bruno's operating budget
- with knowledge of the immediate and long-term fiscal challenges facing the General Fund and Enterprise Funds
- empowered to articulate the City's fiscal condition and the FY2020-21 proposed budget to your constituents
- feeling satisfied that your questions were addressed or will be addressed by the next budget meeting on June 9th

Today's Agenda



- I. Proposed Budget and General Fund Deficit Projection Overview
- II. General Fund Expenditures Overview
- III. Reserves
- IV. Position Summary
- V. Enhancements
- VI. Departmental Operating Budgets
- VII. Enterprise Funds - Financial & Operating Summaries
- VIII. Internal Service Funds
- IX. Additional Questions & Next Steps

Study Session Schedule – May 27th



Item	Description	Schedule
I.	Proposed Budget & General Fund Deficit Projection Overview	10:00-10:10am
II.	General Fund Expenditures Overview	10:10-10:20am
III.	Reserves	10:20-10:30am
IV.	Position Summary	10:30-10:40am
V.	Enhancements	10:40-11:15am
VI.	General Fund – Department Operating Budget Presentations <ul style="list-style-type: none"> • General Administration (City Council, City Clerk, City Manager, City Attorney, Human Resources & Finance) • Police • Fire • Public Works (Admin/Engineering & Streets) • Community & Economic Development (Planning & Building) • Community Services (Recreation, Parks, Senior Center & Library) 	11:15-2:30pm BREAK @ 12:00-1:00pm

Study Session Schedule – May 27th



Item	Description	Schedule
Break		2:30-2:45pm
VII.	Enterprise Funds - Financial Summary & Department Operating Budget Presentations <ul style="list-style-type: none"> • Water • Wastewater • Storm Water • CityNet Services 	2:45-4:00pm
VII.	Internal Service Funds – Department Operating Budget Presentations <ul style="list-style-type: none"> • Central Garage • Building & Facilities • Technology • Self-Insurance 	4:00-4:30pm
VI.	Additional Questions & Next Steps	4:30-5:00pm



I. Proposed Budget and General Fund Deficit Projection Overview

FY2020-21 Budget Overview



**\$180M All
Fund Budget**

**\$49M
General Fund
Budget**

**265 FTE
Positions**

**102 Capital
Improvement
Projects**

Projected FY2020-21 Deficit Summary



General Fund	FY2020-21 Projected Deficit (Millions)
Revenues	\$45.2
Expenditures	53.4
Surplus / (Deficit)	(\$8.2)

- ▲ Strategies to address both revenues and expenditures
- ▲ Additional strategies to ensure adequate fund balance



II. General Fund Expenditures Overview

General Fund Expenditures



Department	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget	% Change in Budget
General Government	\$5,669,260	\$5,269,024	\$5,533,707	-2%
Police	19,620,149	18,736,270	19,310,788	-2%
Fire	11,611,019	11,474,003	11,781,624	1%
Public Works	4,184,643	4,234,329	4,234,953	1%
Community & Economic Development	3,715,469	3,592,966	3,297,691	-11%
Community Services	9,702,303	8,792,899	9,087,555	-6%
Non-Departmental*	(3,726,046)	(3,325,966)	(3,893,350)	0%
Total	\$50,776,798	\$48,773,525	\$49,352,968	-3%

*Note: Non –Departmental includes cost allocation recovery and transfer out for debt service payments.

Source: City of San Bruno, City Manager's Proposed Budget FY2020-21



Expenditure Pressures

- Union MOU negotiations
- Rising personnel costs
- Health and other insurance costs
- County election costs
- CPI on contracts
- IT software maintenance
- Mandates (ADA, etc.)

Labor Contracts



Labor Union	Members	Contract Expiration Date
San Bruno Management Employees Association	7	December 31, 2019
Mid-Management Bargaining Unit	36	December 31, 2019
Teamsters Local 856, IBT – Miscellaneous	91	December 31, 2020
Public Safety Mid-Management Bargaining Unit	13	December 31, 2020
San Bruno Professional Firefighters Association	27	December 31, 2020
San Bruno Police Bargaining Unit	51	December 31, 2020
Unrepresented	8	
Total	233	

Pension Costs



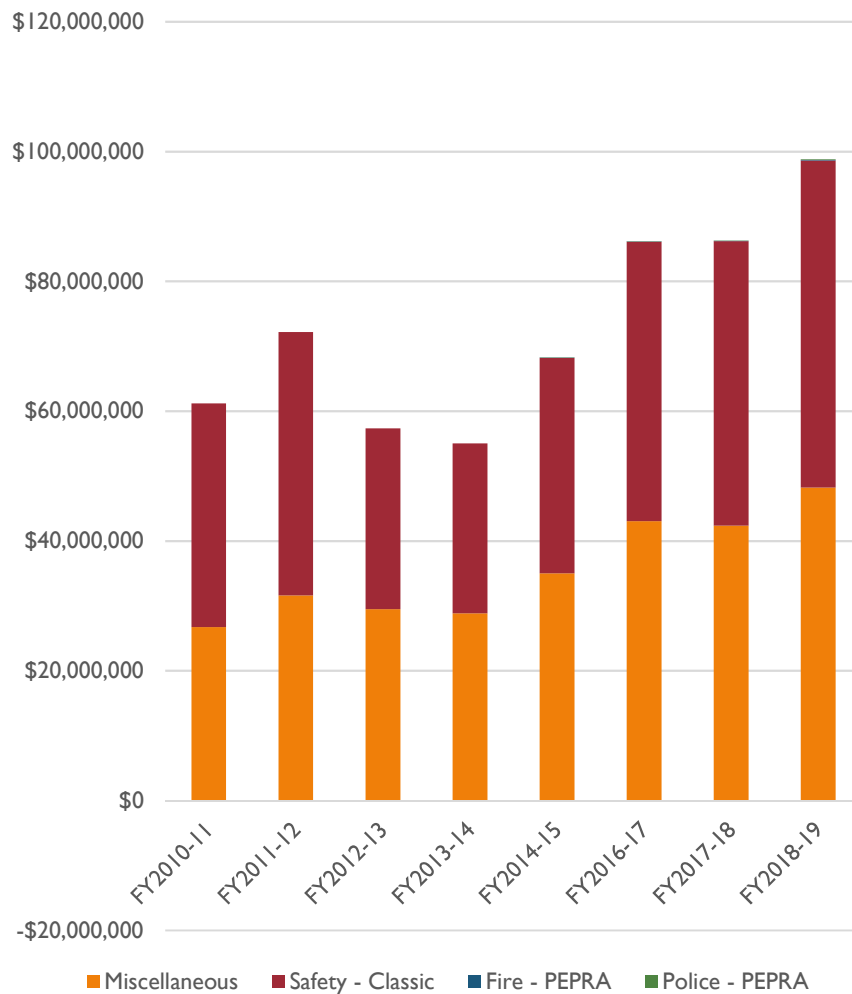
- FY2020-21 Budget Pension Costs
 - \$4.2M biweekly payroll contribution for normal costs (\$100K increase from FY2019-20)
 - \$6.0M annual contribution for Unfunded Actuarial Liability (UAL) (\$775K increase from FY2019-20)



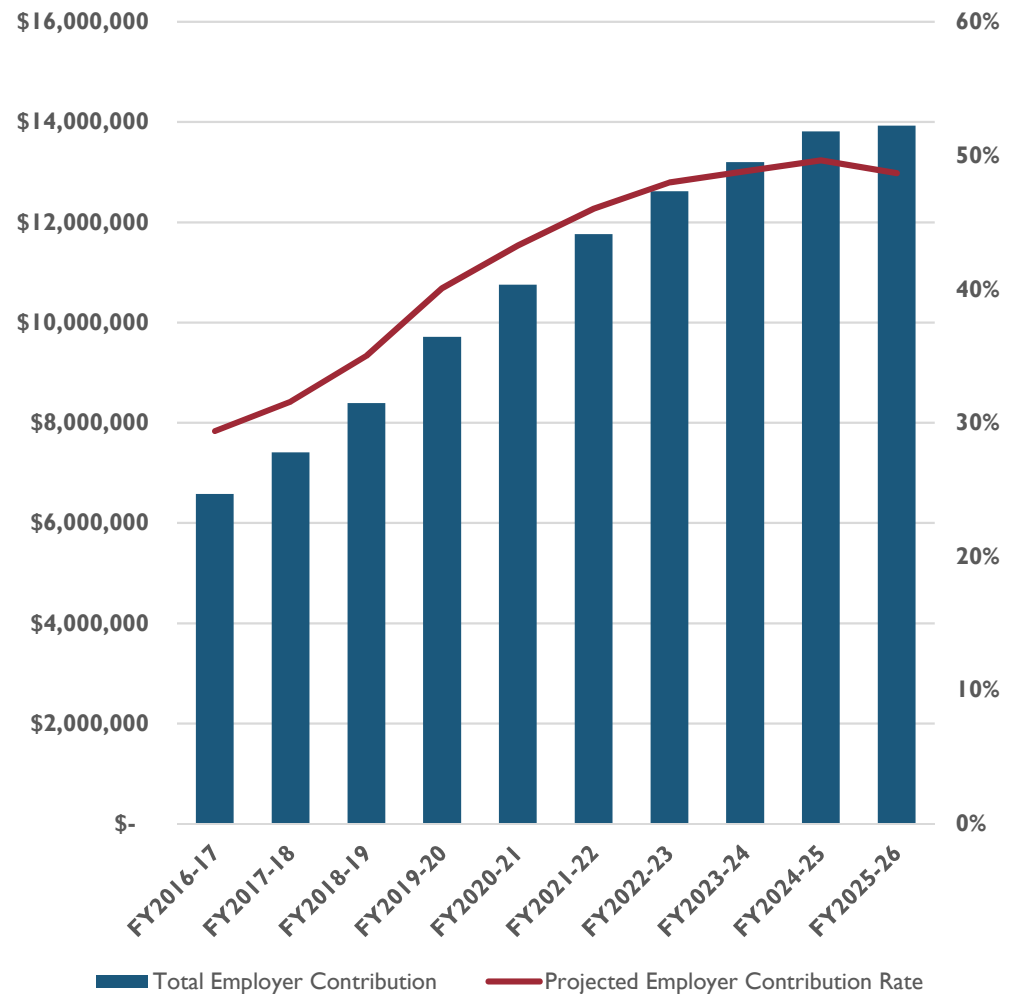
Pension Costs



Unfunded PERS Pension Liability



Employer Contribution & Percent of Total - All Plans



Source: City of San Bruno, CalPERS Valuation Reports



III. Reserves

General Fund Reserves



Reserve Type	Reserve Policy Target	FY2019-20 Estimated Ending Balance	FY2020-21 Budget Ending Balance
General Fund	\$1,500,000	\$1,547,510	\$1,000,000
General Fund Reserve	25% of annual, budget expenditures	12,613,134	12,022,285
General Fund Capital Reserve	Goal of \$5,000,000	5,102,456	4,921,902
Emergency Disaster Fund	Target of \$3,000,000	1,993,107	2,023,107
Total		\$21,256,206	\$19,967,293

Reserves – Cash Balances



Reserve Type	FY2020-21 Budget Ending Balance
Total General Fund Reserves	\$19,967,293
City Net Services - Enterprise Fund Deficit	(13,642,816)
General Fund Reserves – Cash Balance	\$6,324,477
Equipment Reserve	3,438,160
One-Time Revenue	0
Total Reserves – Cash Balance	\$9,762,637

Capital Fund Balances Summary

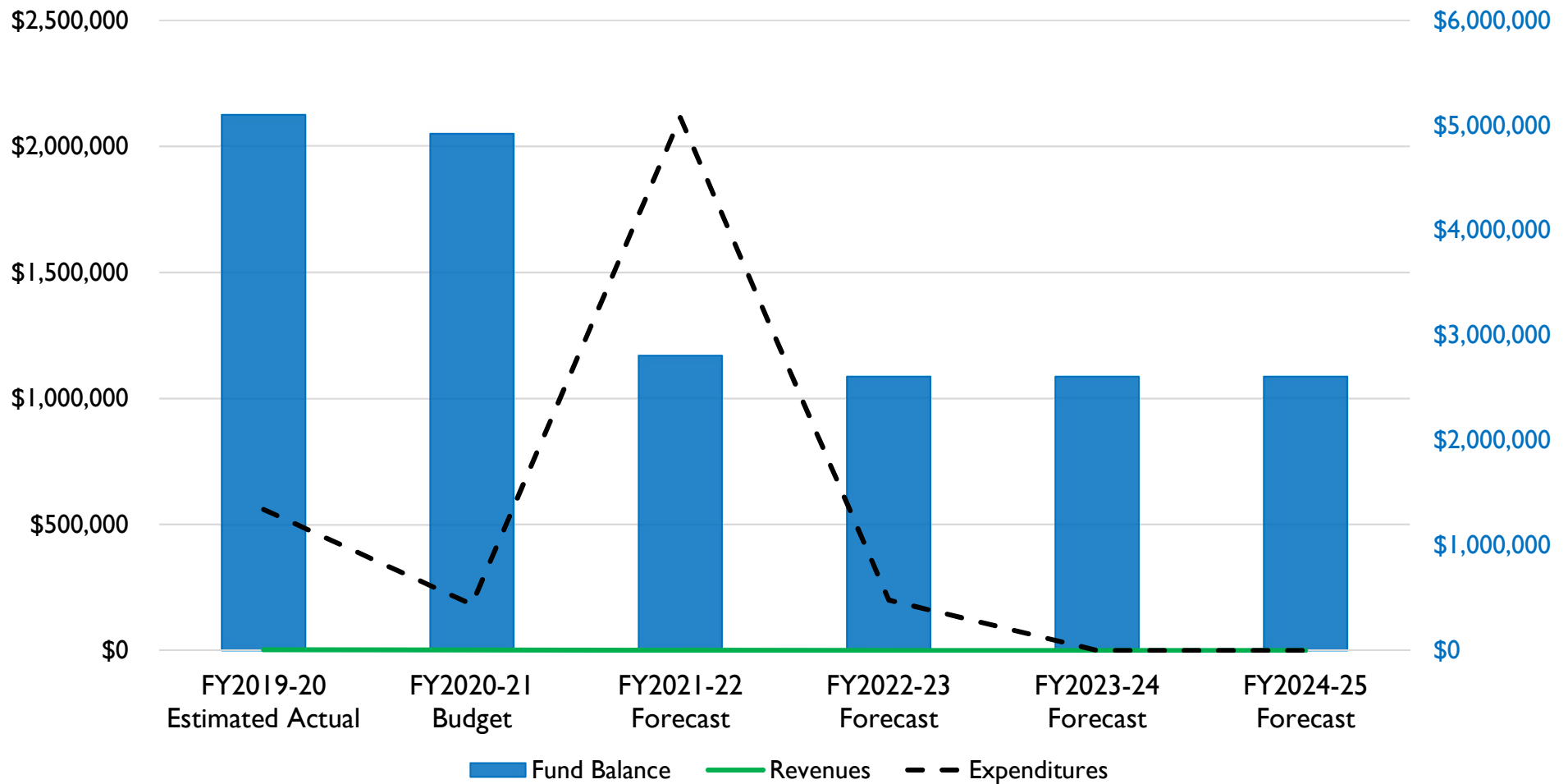


Fund	Type	FY2019-20 Estimated Ending Balance	FY2020-21 Budget Ending Balance
General Fund Capital Reserve	Unrestricted	\$5,102,456	\$4,921,902
Development Impact Fees	Restricted	110,011	185,511
Gas Tax - Streets		742,047	420,795
Measure A - Street & Sidewalk Maint.		436,784	299,070
Measure W - Transportation		403,740	245,702
Total		\$6,795,038	\$6,072,980

General Fund Capital Reserve Long Range Financial Plan



Long-Range Financial Forecast
General Fund Capital Reserve



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

General Fund Capital Reserve

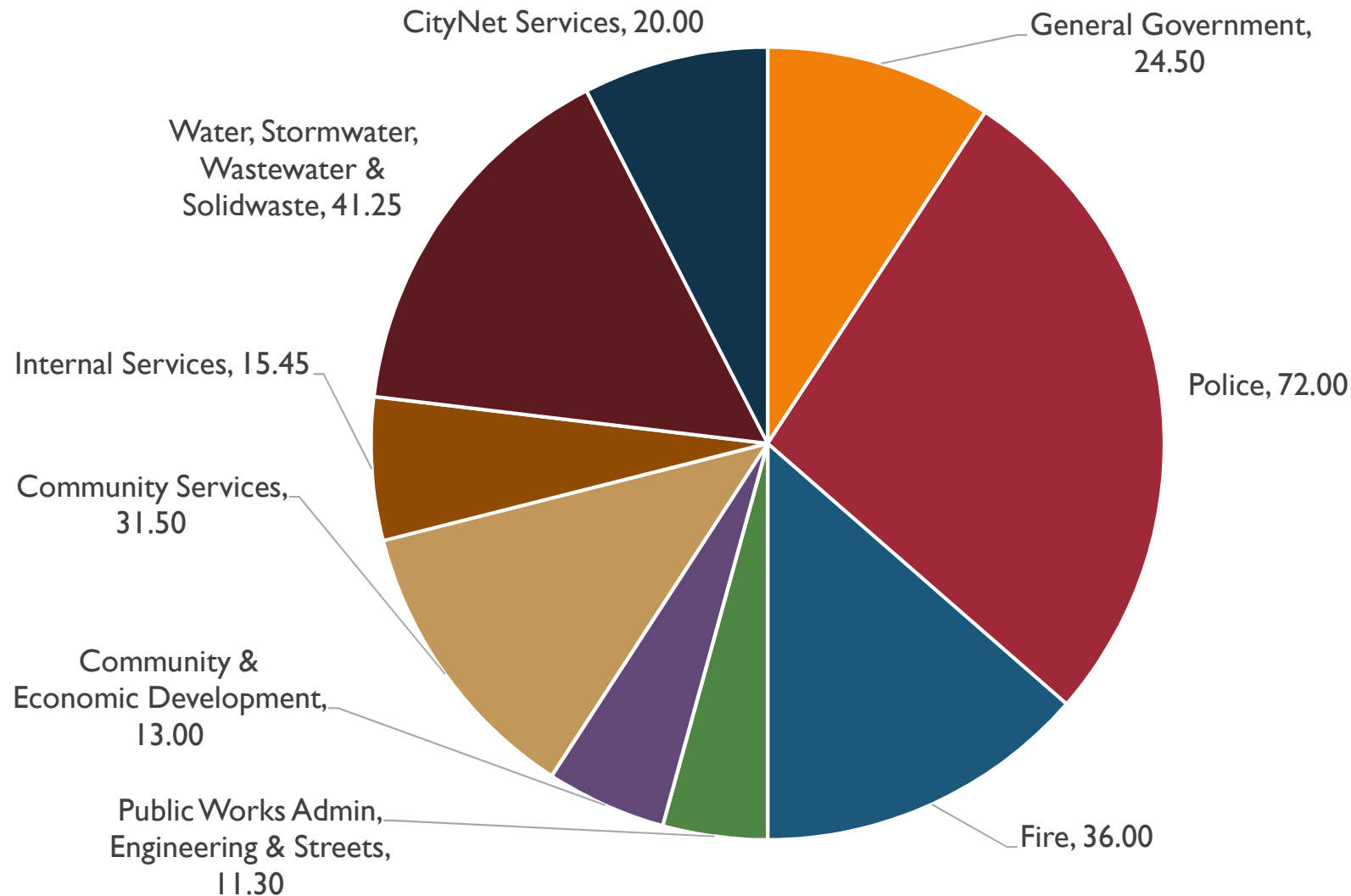


	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget
Beginning Fund Balance	\$5,659,442	\$5,659,442	\$5,102,456
Total Revenues	3,063	3,063	2,183
Total Expenditures	(208,022)	(560,049)	(182,737)
Operating Surplus / (Deficit)	(204,959)	(556,986)	(180,554)
Ending Fund Balance	\$5,454,483	\$5,102,456	\$4,921,902



IV. Position Summary

Position Summary - FY2020-21 FTEs



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

Position Summary



Department	FY2017-18 Budget	FY2018-19 Budget	FY2019-20 Budget	FY2020-21 Budget
General Fund	185.45	188.35	189.35	188.30
Special Revenue Funds	0.95	0.45	0.45	0.45
Internal Service Funds	14.40	14.40	14.40	15.45
Enterprise Funds	58.70	60.80	60.80	60.80
Total	259.50	264.00	265.00	265.00



V. Enhancements

Enhancement Summary



Fund	Item	Ongoing Costs	One-Time Costs	New Revenue/ Expense Savings	Net Impact on Fund
General Fund	Fire Department Wellness Screening	\$35,000			\$35,000
General Fund	Planning & Housing Intern		12,000		12,000
General Fund	Housing Element Update	100,000		12,000	88,000
Measure G	Reclassify Lead Maintenance Worker to Parks Services Manager	157,250		113,890	43,360
Restricted Revenue	Install Library computer cable		12,146	12,146	

Enhancement Summary



Fund	Item	Ongoing Costs	One-Time Costs	New Revenue/Expense Savings	Net Impact on Fund
Central Garage	Reclassify Parks & Facilities Manager to Facilities & Garage Services Manager (0.25 FTE)	39,267		40,630	(1,363)
Building & Facilities	Reclassify Parks & Facilities Manager to Facilities & Garage Services Manager (0.75 FTE)	117,299		121,391	(4,092)
Technology	Microsoft Office 365 Full City License	5,780			5,780
Total		\$454,596	\$24,146	\$300,057	\$178,685



Enhancements Not Included

- Technology & Security Upgrades
 - Network Security Licenses to support cybersecurity efforts
 - Replacement of the Storage Area Network
 - GIS Mapping and Security Professional Services to develop more accurate maps
 - Desktop and Helpdesk Support Tool
 - Senior Center upgrades for City Council meetings
 - Website platform upgrade
- Shared services – Management Analyst
- Streets Maintenance Worker dedicated to pothole repair
- Central Garage Mechanic



VI. Department Operating Budgets



City Council

Jovan D. Grogan
City Manager

City Council Overview



5.00 Part-time positions

Develops policies

Governing body

Represents the residents

Appoints City Manager

City Council Accomplishments & Strategic Initiatives



Accomplishments

- Represents the City on several County and Regional Agency Boards and Committees
- Conducted goal and priority setting meetings
- Conducted a well-attended Community Day event

Strategic Initiatives

- Review and adopt strategic initiatives
- Support staff in implanting strategic initiatives and priority projects

City Council Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$102,029	\$104,735
Expenditures	\$176,582	\$170,444
General Fund Subsidy	\$74,553	\$65,709

Notable Budget Changes & Service Level Challenges

- Moved FOCUS newsletter to City Manager
- Minor training, meetings and conference budget increase



City Clerk's Office

Melissa Thurman
City Clerk

City Clerk Overview



2.0 FTEs

Records the
actions &
proceedings

Administers City's
Record
Management
Program

Maintain San
Bruno Municipal
Code

Official Elections
Officer

Administrative
Support to City
Council

City's Compliance
filing officer



Accomplishments

- Implemented software for CA Fair Political Practices Commission
- Hosted voting center for elections
- Completed recruitments for Commissions, Boards & Committees
- Community-wide events (Operation Clean Sweep and Beautification Task Force)

Strategic Initiatives

- Conduct local election in November 2020

City Clerk Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$139,973	\$143,682
Expenditures	\$636,269	\$588,592
General Fund Subsidy	\$496,296	\$440,910

Notable Budget Changes & Service Level Challenges

- \$71K cost reduction for elections
- Minor costs for records retention updates
- Additional noticing anticipated in FY2020-21



City Manager's Office

Jovan D. Grogan
City Manager

City Manager Overview



4.00 FTEs

Supports City Council by guiding formulation of policies

Management and Oversight of Organization

City Council Policy Development & Strategic Planning

Community Relations & Outreach

Budget Development, Management & Implementation

External Organization Relations

City Manager Accomplishments



- Continued support of the Bayhill Specific Plan & Mills Park Center Development Project
- Implemented the first phase of the Comprehensive Fiscal Sustainability Project
- Worked with Senior Leadership & City Council on developing strategic initiatives
- Emergency operations related to COVID-19
- Supported strategic initiatives including the Downtown Streetscape Plan, Downtown Parking Lot Rehabilitation Project, Crystal Springs Road and 1st Avenue Sewer Replacement Projects, CityNet Services Rebranding and Wildfire Risk Assessment, among other projects
- Developed 3-tier plan to respond to the COVID-19 pandemic and activation of the City's Emergency Operations Center (EOC)
- Conducted community outreach to engage the public of the Comprehensive Fiscal Sustainability Project which resulted in the voter approved sales tax ballot measure in November 2019

City Manager Strategic Initiatives



- Develop annual program to support City Council Priority Focus Areas
- Pursue various parking strategies for downtown and residential neighborhoods
- Oversee planning for the new Recreation & Aquatic Center
- Develop long-term strategies to address the fiscal impacts to the City as a result of COVID-19
- Support the City Council transition and potential ballot measures for the November 2020 election

City Manager Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$263,178	\$270,155
Expenditures	\$1,308,675	\$1,175,422
General Fund Subsidy	\$1,045,497	\$905,267

Notable Budget Changes & Service Level Challenges

- Minor increases for additional printing and copying
- Removal of 1-time budget amendment in FY2019-20 for community priorities survey



City Attorney's Office

Marc Zafferano
City Attorney

City Attorney Overview



2.00 FTEs

Legal
Consultation &
support

Identifies
potential risks to
the City

Respond to
public records &
subpoenas

Manage City
related-litigations
& claims

City Attorney

Accomplishments & Strategic Initiatives



Accomplishments

- Strategic update of the Municipal Code to address revenue generation, purchasing and other functions
- Support the City's efforts with CPUC proceedings involving PG&E
- Complied with increasing number of Public Records Act (PRA) requests
- Legal review & development of documents for development proposals

Strategic Initiatives

- Municipal code revisions to address licensing and regulations, nuisances, public right-of-way and other functions
- Resolve code enforcement matters
- Legal review & development of documents for development proposals

City Attorney Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$289,734	\$295,877
Expenditures	\$545,054	\$551,772
General Fund Subsidy	\$255,320	\$255,895

Notable Budget Changes & Service Level Challenges

- No other notable changes



Human Resources Department

Jovan D. Grogan
City Manager

Human Resources Overview



2.50 FTEs

Recruitment &
Retention of
Quality
Employees

Classification &
Compensation

Employee Training
& Development

Employee
Appreciation

Employee Labor
Relations

Benefits
Administration

Compliance with
State & Federal
Employment Law

Risk Management,
Return to Work &
Workers'
Compensation

Human Resources

Accomplishments & Strategic Initiatives



Accomplishments

- Successfully conducted 32 recruitments and onboarded 16 new full-time employees
- Labor negotiations
- Expanded annual health fair
- Administered anti-harassment training to all employees

Strategic Initiatives

- Negotiate bargaining unit successor agreements
- Review and revise administrative regulations and procedures
- Review job descriptions to ensure accuracy and current standards
- Research workers' compensation administrator options to enhance claims and cost management

Human Resources Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$268,736	\$275,858
Expenditures	\$600,182	\$675,140
General Fund Subsidy	\$331,446	\$399,282

Notable Budget Changes & Service Level Challenges

- Additional consulting support for Union negotiations



Finance Department

Keith DeMartini
Director

Finance Overview



10.00 FTEs

Maximize revenue,
reduce costs,
support increased
efficiencies

Maintains fiscal
integrity, internal
controls & financial
soundness

Financial Reporting
& Accounting

Operating &
Capital Budget,
Long Range
Financial Planning

Utility, Business
License & Garbage
Services & Rate
Review

Purchasing,
Accounts Payable &
Receivable, Grant
Management

Payroll

Banking &
Investments



Finance Accomplishments

- Conducted risk assessment of financial and administrative policies and procedures
 - Implemented a revised investment policy
- Issued CAFR with no material weaknesses
- Annual Garbage rate review
- Business license and transient occupancy tax audits
- Prepared the annual operating and CIP budget, including long-range financial forecasting
- Support efforts related to Measure G – Street Repair/Local City Services Sales Tax Increase Revenue Measure



Finance Strategic Initiatives

- Comprehensive Fiscal Sustainability - revenue enhancements
- User Fee Study
- Long-range financial forecasting refinement
- Strategic software needs assessment
- Internal Control improvements
 - Purchasing, Cash handling, Payroll, Utility billing and Business licenses among others
- Develop long-term strategies to address the fiscal impacts to the City as a result of COVID-19

Finance Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$1,332,228	\$1,364,192
Expenditures	\$2,446,009	\$2,372,337
General Fund Subsidy	\$1,113,781	\$1,008,145

Notable Budget Changes & Service Level Challenges

- Removal of 1-time audit services in FY2018-19
- Minor increases for certifications, training and memberships
- Staffing to support on-going operations, special projects and process improvements
- System challenges and business processes and practices



Police Department

Ryan Johansen
Police Chief



Police Overview



72.00 FTEs

Preserves
community
peace

Patrol

Traffic &
Parking

Investigations
& Support
Services

Administration

Records &
Dispatch
Services

Contract
Services

Code
Enforcement

Police Accomplishments



- Support pilot program for residential parking permits
- Implement public information, warning and enforcement for sidewalk and wrong-way parking
- Community-oriented policing events including:
 - Coffee with a Cop
 - MADD Bay Area Walk Like MADD
 - Special Olympics torch run
 - Special Olympics Tip-a-Cop Fundraiser

Police Accomplishments



- 9 staff graduated from the Crisis Intervention Training (CIT) and received de-escalation training
- Deployed document management system to comply with legal requirements and make materials publicly accessible
- Certified 3 staff as Mindfulness Peer Coaches
- Secured certifications to deploy an Unmanned Aircraft System (drone) program
- Implemented best practices for staff protection related to the COVID-19 pandemic

Police Accomplishments



- Completed After Action Report for the Tanforan Shooting Incident
- Delivered active shooter response training at the International Association of Chiefs of Police Conference and CA Police Chiefs Association Conference



Police Strategic Initiatives

- Enhance Traffic Safety and Prevent Impaired Driving
- Expand services to homeless in an effort to secure permanent housing
- Replacement of the Police Department Public Safety Radio Infrastructure
- Secure a public safety incident command vehicle
- Deploy an employee wellness and resiliency program
- Increase SMC Alert registration for future notification
- Expand use of document management system to store documents on the Cloud

Police Strategic Initiatives



- Complete an upgrade of public safety communications infrastructure
- Implement daily training bulletins for staff
- Enhance parking enforcement capabilities
- Restructure department command staff to better align divisions
- Expand Reserve, Explorer and Ride-Along programs
- Provide more PSAs and other content in Spanish

Police Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$2,119,055	\$2,672,055
Expenditures	\$19,620,149	\$19,310,788
General Fund Subsidy	\$17,501,094	\$16,838,733

Notable Budget Changes & Service Level Challenges

- Salary and fringe savings from holding 8 positions vacant
- Transfer code enforcement staff, additional 2 staff
- Reclassify Police Sergeant to Police Captain
- Health & pension increases
- Reduce equipment and operating supplies to achieve savings
- Additional contribution to County Animal Care Shelter Facility and services



Fire Department

Ari Delay
Fire Chief



Fire Overview



36.00 FTEs

Station 51 – One
Advanced Life
Support Engine
Company

Station 51 – One
Advance Aerial
Life Support Truck
Company

Station 52 – 1
Advanced Life
Support Engine
Company

Protect health, life
and property

Fire prevention,
public education

Emergency
medical services

Community
preparedness

Fire Accomplishments



- Held open house during National Fire Prevention Week
- Implemented safety initiatives and wellness program improvements to minimize and prevent work-related injuries
- Provided Community Emergency Response Training (CERT)
- Implemented county-wide exposure reduction policies
- Kincade Fire strike team

Fire Accomplishments



- Provided Cardio Pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training to City staff and residents
- Completed state-mandated inspections to ensure fire code compliance and building safety
- Public education initiatives including bike helmets, smoke alarms and reading to children at the library
- “Stop the Bleed” training with Police staff
- Fire mitigation at Crestmoor Canyon
- Complete No-Harm Wildfire Risk Assessment



Fire Strategic Initiatives

- Evaluate and implement firefighter wellness initiatives
- Adopt the 2019 Fire Code and amendments to increase safety and prevention activities
- Enhance the use of social media to inform and educate the public
- Establish 100% digital plan check review process
- Records management system implementation for paperless processes
- Develop a comprehensive Wildland Risk Assessment

Fire Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$537,237	\$388,138
Expenditures	\$11,611,019	\$11,781,624
General Fund Subsidy	\$11,073,782	\$11,393,486

Notable Budget Changes & Service Level Challenges

- Reduced permit & plan check fees from anticipated development
- Salary and fringe savings from holding 2 fire fighters vacant
- Health & pension increases
- Wellness screening enhancement
- Reviewed phone and communication expenses to determine savings
- Reduced maintenance costs from performing in-house maintenance



Public Works Department Administration & Engineering Div.

Jimmy Tan
Director

Public Works Administration & Engineering Overview



5.65 FTEs

Maintenance & Capital
Improvements to
Infrastructure

Professional
Engineering Resource

High Level Strategic
Management

Management &
Coordination of
Capital Improvement
Program

Technical &
Administrative Support
to Traffic, Safety &
Parking Committee

Respond to Urgent
Community Needs

Public Works Admin & Engineering Accomplishments & Strategic Initiatives



Accomplishments

- Completed design/study for 8 projects, including slurry seal, ADA evaluations, water and sewer replacements, and pedestrian/bicycle improvements
- Completed construction for 14 projects, including street rehabilitations, pressure regulator, pump station, sewer replacement, street signs and streetlight poles
- Completed the Crestmoor Canyon Slope Stability Project

Strategic Initiatives

- Complete design, rehabilitate or replace critical facilities and infrastructure for 29 CIP projects

Public Works Admin & Engineering Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$1,433,053	\$1,780,426
Expenditures	\$1,984,147	\$2,010,398
General Fund Subsidy	\$551,094	\$229,962

Notable Budget Changes & Service Level Challenges

- Adjusted budget to achieve budget savings
- Continued support of Sea Level Rise Agency



Public Works Department Streets Division

Jimmy Tan
Director

Streets Overview



5.65 FTEs

Street & right-of-
way maintenance
services

Customer Service
Activities

Respond to
Urgent
Community
Needs

Routine Repair &
Maintenance

Regulatory
compliance

Streets

Accomplishments & Strategic Initiatives



Accomplishments

- Replaced 724 street signs, 8 streetlight poles, straightened 26 bent poles, installed 17 new poles and 55 new signs
- Completed work orders for red curb painting, signage repair and thermoplastic installation

Strategic Initiatives

- Replace additional signs and streetlight poles, upgrade regulatory signs, warning signs and street name signs

Streets Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$860,800	\$1,130,800
Expenditures	\$2,200,496	\$2,224,555
General Fund Subsidy	\$1,339,696	\$1,093,755

Notable Budget Changes & Service Level Challenges

- Revenues include transfers in from Gas Tax, Measure M and Measure G District Sales Tax
- Reduce street light, traffic signals and signs to achieve budget savings
- Reduce concrete, guardrail and fence repair to achieve budget savings



Community & Economic Development Department

Darcy Smith
Director



Priority Projects

- Short Term Residential Rental Zoning Ordinance
- User Fee Study
- Adoption of Building Code Updates
- Zoning Code Update for General Plan/TCP Implementation
- Mills Park Center Resubmittal
- Initiation of work on 2022 Housing Element
- Development of an Affordable Housing Fund Implementation Plan
- Bayhill Specific Plan/YouTube Phase 1
 - Environmental Impact Report
 - Specific Plan
 - Phase 1 Planning Entitlements and Development Agreement



Development Project Forecast

- Major Building Permits Under Review
 - YouTube Phase 1 Garage/Foundation
 - YouTube 901 Cherry Phase 2
 - 111 San Bruno Avenue
- Major Planning Applications Currently Under Review
 - YouTube Phase 1
 - Mills Park Center Resubmittal
 - Smaller Projects at Glenview Terrace, 271 El Camino Real and 160 El Camino Real



Development Project Forecast

- Future Major Development Projects
 - Mills Park Center Resubmittal
 - Sears/Tanforan Redevelopment
 - 1000 San Mateo Ave – former SkyPark site
 - Former Engvall School Site Redevelopment
 - Former Crestmoor School Site Redevelopment
 - Crossings Hotel

Current and Foreseeable Challenges and Opportunities



- Limited capacity for projects above baseline
- Limited staff depth and experience in large projects, writing ordinances, and environmental clearance preparation
- Director and Planning and Housing Manager serving in multiple roles and directly involved in actual work- writing reports, ordinances, resolutions, notices, etc.
- CEQA and new state housing laws more complex, time consuming, require changes to our local processes, procedures, and ordinances
- Economy changing- closure of Sears and SkyPark
- Complex land use regulations and Ordinance 1284

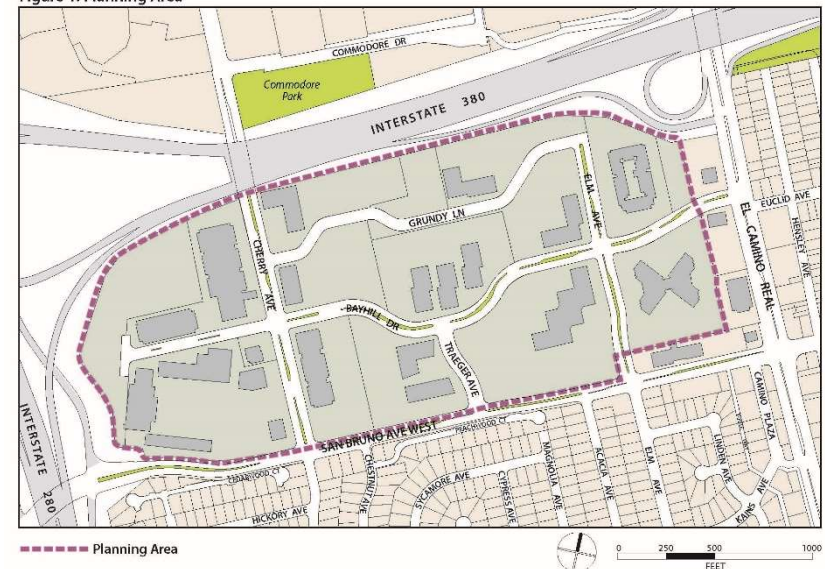
Bayhill Specific Plan



- Office park area home to YouTube and Walmart.com, the City's largest employers
- Office space expansion to allow for YouTube and other existing and future businesses to thrive and expand
- Implementation of Transportation Demand Management measures and creation of a private multi-modal transportation hub
- Allow for housing by incorporating a housing overlay where housing would be a permitted use



Figure 1: Planning Area



YouTube – Proposed Development



- Phase 1 being evaluated concurrent with preparation of the Specific Plan
- Submitted April 2019 and processing underway
- 440,000 square feet of new office space on existing surface parking lots located adjacent to the existing buildings at 900 and 1000 Cherry Avenue
- Three stories, 50 feet and underground parking consistent with Ordinance 1284
- Status: under review



Development Outlook - FY2020-21



Mills Park Center



- Two transit-oriented mixed use buildings
- 427 total dwelling units
- 7,947 sq. ft. of ground floor commercial space
- Status: March 2020 resubmittal under review

Development Outlook - FY2020-21



111 San Bruno Ave



- 5-story, missed-use building
- 62 multi-family dwelling units
- 7,600 sq. ft. of ground floor retail
- 11 affordable housing units
- Status: building permit under review

271 El Camino Real



- 3-story multi-family development
- 24 multi-family rental and for-sale condominium units
- Status: under review

Development Outlook - FY2020-21



Skyline Residential



- 40 for-sale detached single-family homes
- 30 multi-family rental units for college faculty and staff
- 11 affordable rental units
- Status: under construction

Glenview Terrace



- 29 for-sale detached single-family homes
- Status: under review



CED Department Planning Division

Darcy Smith
Director

Planning Overview



5.25 FTEs

Bayhill Specific
Plan

Economic
Development and
Business Support

Zoning Code
Update

Development
Project Reviews &
CEQA
Compliance

Building Permit
Reviews

Land Use Policy
and Housing
Element



Planning Accomplishments

- Completed Downtown Streetscape Plan (October 2019)
- Completed Parking Ordinance (February 2020)
- Approval of Recreation and Aquatic Center planning entitlement and certification of EIR (May 2020)
- Substantial progress on Short Term Residential Rental Ordinance
- Progress completing Bayhill Specific Plan and YouTube Phase I entitlement
- Obtained grant for Zoning Code update (\$160,000)
- Development project entitlements and building permit activity

Planning Strategic Initiatives



- Downtown Streetscape Plan
- Zoning Code Update
- Bayhill Specific Plan and YouTube Phase 1 Entitlement
- Implement Transit Corridors Plan
- Economic Development Program
- Affordable Housing Fund Implementation Plan
- 2022 Housing Element

Planning Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$391,265	\$200,150
Expenditures	\$1,406,810	\$1,482,333
General Fund Subsidy	\$1,226,810	\$1,348,533

Notable Budget Changes & Service Level Challenges

- Realigned permit projections on development pipeline
- Planning and Housing Intern enhancement request



CED Department Building Division

Darcy Smith
Director

Building Overview



7.75 FTEs

Building permit
processing –
increased activity

Plan check review and
inspections

Review planning
application submittals
for development
projects

FEMA Floodplain
Management – new
Ordinance

Building Accomplishments & Strategic Initiatives



Accomplishments

- Deployed “soft launch” of online permit submittals for routine permit applications
- Development Impact Fee implementation
- Modifications to SB Responds to improve categories to ensure better complaint tracking and assignment

Strategic Initiatives

- Implement Online Permitting through e-TRAKit

Building Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$3,744,629	\$2,114,267
Expenditures	\$2,308,659	\$1,815,358
General Fund Subsidy	(\$1,435,970)	(\$298,909)

Notable Budget Changes & Service Level Challenges

- Reduced permit revenue for conservative estimates for large development projections in the pipeline with multi-year activity
- Transfer code enforcement staff to Police



Community Services Department Recreation Division

Joanne Magrini
Director

Recreation Overview



4.95 FTEs

Programs,
Services,
Community
events & activities

Benefit health &
well-being of the
community

International
Friendship
Exchange Program

Community
Engagement

New parks &
Recreational
Facilities

Enrichment
Classes

Aquatic Activities

Youth programs

Special Events

Park & Recreation
Commission

Recreation

Accomplishments & Strategic Initiatives



Accomplishments

- Recreation & Aquatic Center (RAC) support through schematic design and environmental review phases
- Streamlined business practices with implementation of autopay for after school program
- Reached 4,000 subscribers for monthly e-newsletter

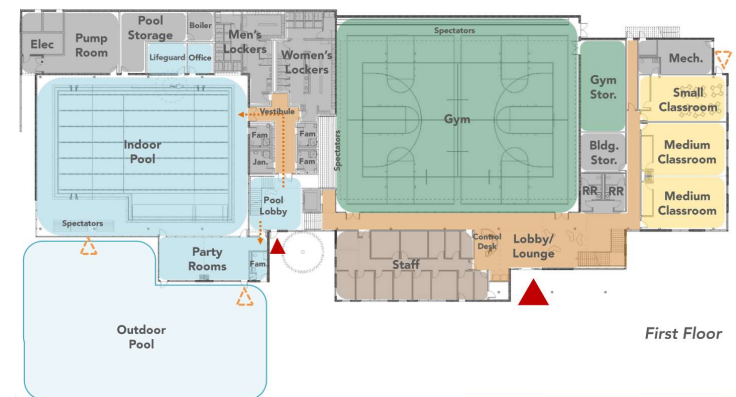
Strategic Initiatives

- RAC construction drawings, secure temporary facilities and begin construction
- Relocate Memorial Recognition Sculpture prior to RAC construction
- Evaluate large-scale special events

Recreation & Aquatic Center



- PG&E pipeline explosion in 2010
- Restitution payment to rebuild the Crestmoor neighborhood
- San Bruno Community Foundation formed:
 - \$50 Million allocated to a new Recreation & Aquatic Center
- Conceptual design complete, including an indoor pool, gymnasium, fitness & weights, classrooms and staff offices
- Development of construction documents and CEQA review
- Construction is expected in early 2021



Recreation Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$1,735,000	\$838,066
Expenditures	\$2,558,765	\$2,104,722
General Fund Subsidy	\$823,630	\$1,266,656

Notable Budget Changes & Service Level Challenges

- Reduction in revenue for rentals (picnic & gym) for temporary site relocation
- Delay in recreation programming
- Assume no aquatics program in FY2020-21
- Reduce part-time staff and hold positions vacant
- Reduce printing, supplies, contracts and other expenses to achieve budget savings



Community Services Department Parks Division

Joanne Magrini
Director

Parks Overview



14.85 FTEs

Maintenance of
City Parks,
facilities and
schools sites

Care &
Cultivation of
Landscaping

Trees, Medians
and Open Space
Maintenance

Supports
Community
Beautification
Events

Fire Mitigation

Parks

Accomplishments & Strategic Initiatives



Accomplishments

- Implementation of year 1 - ADA transition plan for City parks
- Support Florida Avenue Park final design
- Supported the development of construction documents for the new Recreation & Aquatic Center
- Coordination of private trees for residents through the Circle 3.0 Grant Program

Strategic Initiatives

- Complete the Tom Lara Field Grandstand renovation
- Collaboration with the Fire Department on Fire Mitigation
- Complete tree inventory update

Parks Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$38,700	\$38,876
Expenditures	\$3,310,852	\$3,246,243
General Fund Subsidy	\$3,272,152	\$3,207,367

Notable Budget Changes & Service Level Challenges

- Reclassify Lead Maintenance Worker to Parks Service Manager – enhancement request
- Operating expense reductions and removal of 1-time wildfire mitigation enhancement in FY2019-20



Community Services Department Senior Center Division

Joanne Magrini
Director

Senior Services Overview



3.90 FTEs

Promote Active,
Healthy and
engaged
community seniors

Special Events,
activities &
services

Senior Advisory
Board Support

Senior Nutrition
services

Senior
transportation
services

Senior Center Accomplishments & Strategic Initiatives



Accomplishments

- Hired a new Food Services Coordinator
- Offered additional programs including “music & motion,” stretching & meditation, pickle ball, spouse/partner loss support group among others
- Purchased new billiards table
- Increased lunch program participation and continued to serve seniors during shelter-in-place

Strategic Initiatives

- Introduce seated yoga class for seniors with mobility restrictions
- Parking lot and trash enclosure improvements
- Implement year 2 - ADA improvements

Senior Center Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$221,200	\$141,700
Expenditures	\$1,329,327	\$1,336,116
General Fund Subsidy	\$1,109,127	\$1,181,416

Notable Budget Changes & Service Level Challenges

- Aligned revenue from contract classes with operating expenses
- Reduce operating expenses to achieve budget savings



Community Services Department Library Division

Joanne Magrini
Director

Library Overview



7.80 FTEs

Life-long learning
& Literacy
materials &
resources

Educational &
Personal
Enrichment
services

Special Programs
& Events

Online Services

Support Culture
& Arts
Commission
Events

Library

Accomplishments & Strategic Initiatives



Accomplishments

- Replaced 41 public use computers and conducted 8 digital literacy classes with grant funding
- Delivered Movies in the Park, Shakespeare in the Park, Art in the Library & 3 traffic signal controller box art installations
- 114 Summer Reading programs were attended by 5,872 people
- Received grant to provide summer outreach programs to 550 children
- Issued 299 digital library cards through January to expedite eBook checkouts
- Visitor count July-January increased 11.7% over previous year
- Instituted virtual storytimes in response to shelter-in-place

Strategic Initiatives

- Upgrade network wiring to increase speed of public computers and WiFi
- Introduce customized materials processing to reduce operating costs

Library Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$67,698	\$38,770
Expenditures	\$2,513,494	\$2,400,474
General Fund Subsidy	\$2,445,796	\$2,361,704

Notable Budget Changes & Service Level Challenges

- Overdue fines no longer assessed on hold materials
- Depleted State fund inter-library loan transfer funds
- Reduce part-time staff to achieve budget savings



BREAK



VII. Enterprise Funds - Financial & Operating Summaries





Public Works Department Water Division

Jimmy Tan
Director

Water Overview



17.95 FTEs

Potable Water
Production &
Delivery

Water
Conservation
Programs

Respond to
Urgent
Community
Needs

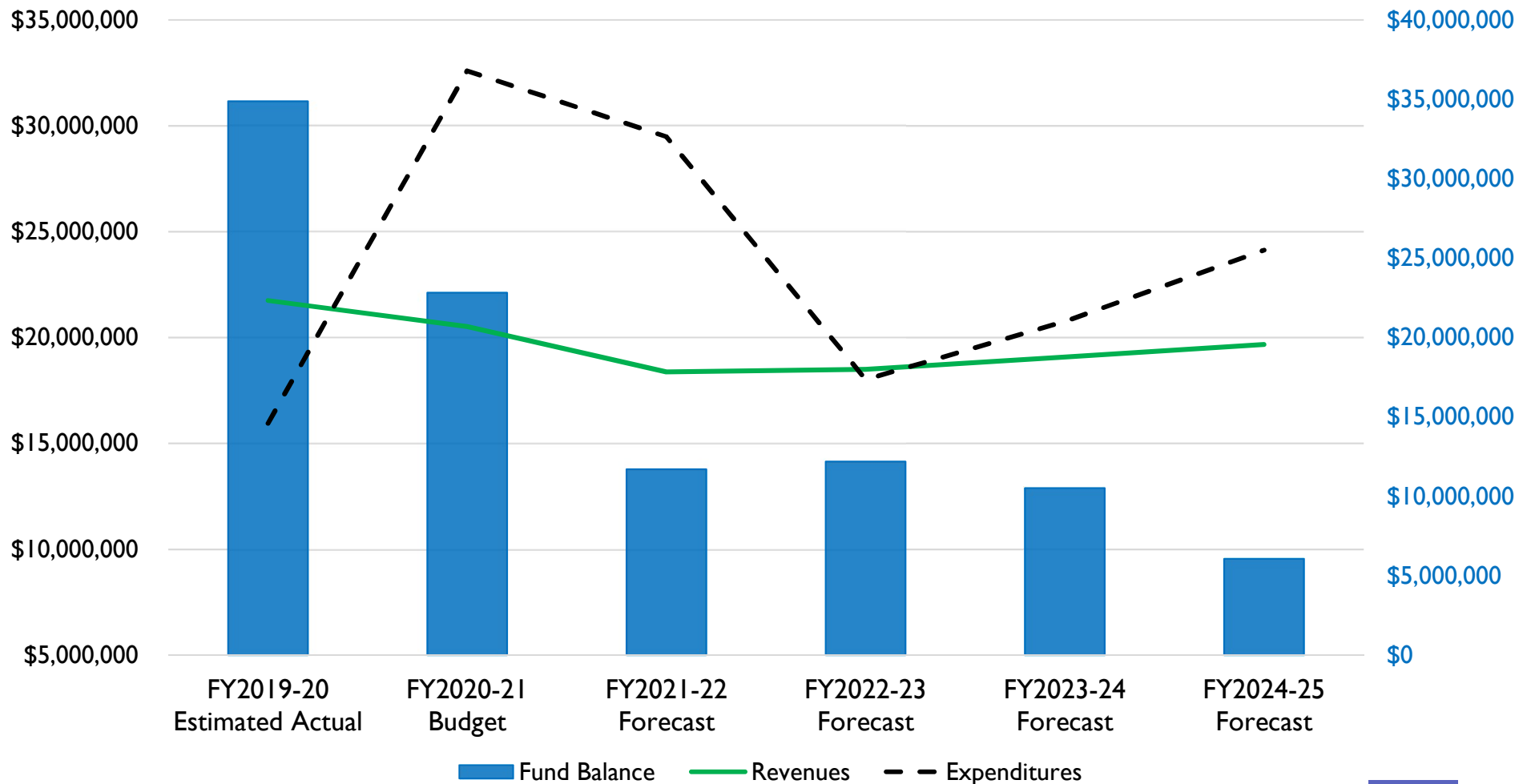
Routine &
Preventative
System Repair &
Maintenance

Regulatory
Compliance

Water Long Range Financial Plan



Long-Range Financial Forecast Water Enterprise Fund



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

Water Enterprise



	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget
Beginning Fund Balance	\$29,084,222	\$29,084,222	\$34,885,317
Total Operating Revenues	16,583,260	16,359,737	17,395,923
Total Operating Expenditures	(10,242,244)	(9,044,746)	(9,888,765)
Operating Surplus / (Deficit)	6,341,016	7,314,991	7,507,158
Total CIP, Debt Proceeds, & Equipment	(18,698,268)	(1,513,896)	(19,559,106)
Ending Fund Balance	\$16,726,971	\$34,885,317	\$22,833,369

Water

Accomplishments & Strategic Initiatives



Accomplishments

- Completed citywide water main leak assessment survey
- Repaired 119 water main breaks
- Completed state-mandated compliance reports

Strategic Initiatives

- Update Water Master Plan
- Complete water infrastructure risk and resilience assessment
- Update drinking water emergency response plan
- Implement water conservation programs
- Replacement of pipelines, tanks, pressure regulating stations and pump stations

Water Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues	\$16,583,260	\$17,395,923
Expenditures	\$10,673,414	\$10,493,092
Surplus / (Deficit)	\$5,909,846	\$6,902,831

Notable Budget Changes & Service Level Challenges

- Additional revenues from scheduled 5% rate increase
- Health & pension increases
- Removed prior year enhancements: water master plan, contract repair, water emergency response plan and leak detection assessment



Public Works Department Wastewater Division

Jimmy Tan
Director

Wastewater Overview



16.80 FTEs

Sewer Collection
System
Maintenance &
Operation

Maintenance of
Wastewater
Collection System

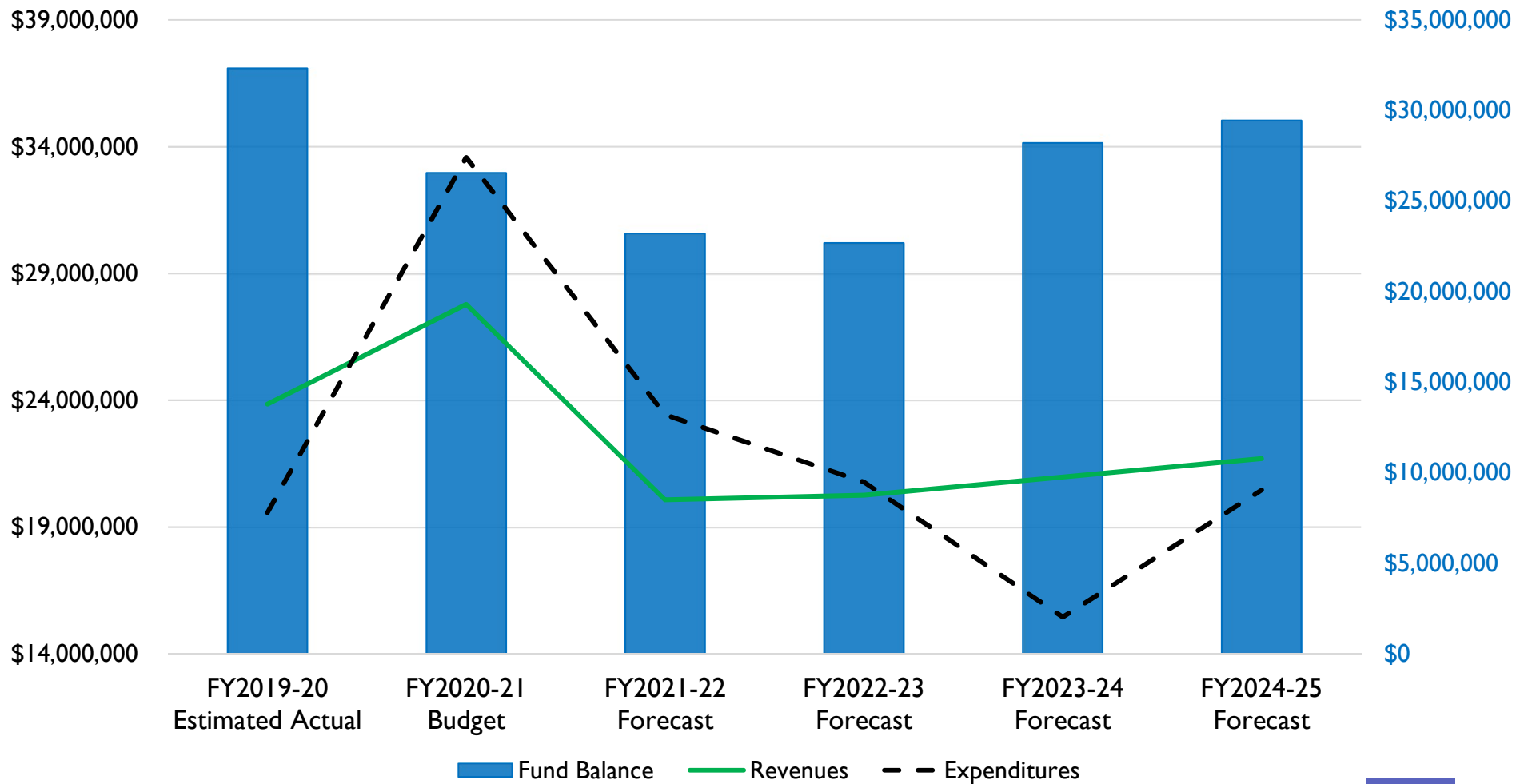
Response to
Urgent
Community
Needs

Regulatory
Compliance

Wastewater Long Range Financial Plan



Long-Range Financial Forecast Wastewater Enterprise Fund



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

Wastewater Enterprise



	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget
Beginning Fund Balance	\$28,049,063	\$28,049,063	\$32,323,347
Total Operating Revenues	18,621,632	18,620,132	18,984,665
Total Operating Expenditures	(9,145,696)	(8,683,150)	(9,469,405)
Operating Surplus / (Deficit)	9,475,936	9,936,982	9,515,260
Total CIP, Debt Proceeds, & Equipment	(9,606,203)	(5,622,698)	(15,288,046)
Ending Fund Balance	\$27,918,769	\$32,323,347	\$26,550,561

Wastewater Accomplishments & Strategic Initiatives



Accomplishments

- Completed more than 421 video inspections of sewer pipes and manholes
- Completed 57 mainline spot repairs
- Managed 144 point of sale private sewer lateral inspections

Strategic Initiatives

- Multiple Avenue sewer replacement project
- Complete Crestwood Pump Station Improvements Project

Wastewater Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues	\$18,621,632	\$18,984,665
Expenditures	\$10,393,587	\$10,937,172
Surplus / (Deficit)	\$8,228,045	\$8,047,493

Notable Budget Changes & Service Level Challenges

- Additional revenues from scheduled 5% rate increase
- Health & pension increases
- Increased budget for fuel, root treatment and tools
- Increased SSF Plant operating and capital cost support



Public Works Department Stormwater Division

Jimmy Tan
Director

Stormwater Overview



6.05 FTEs

Street Sweeping &
Stormwater
Collection

Customer Service
Activities

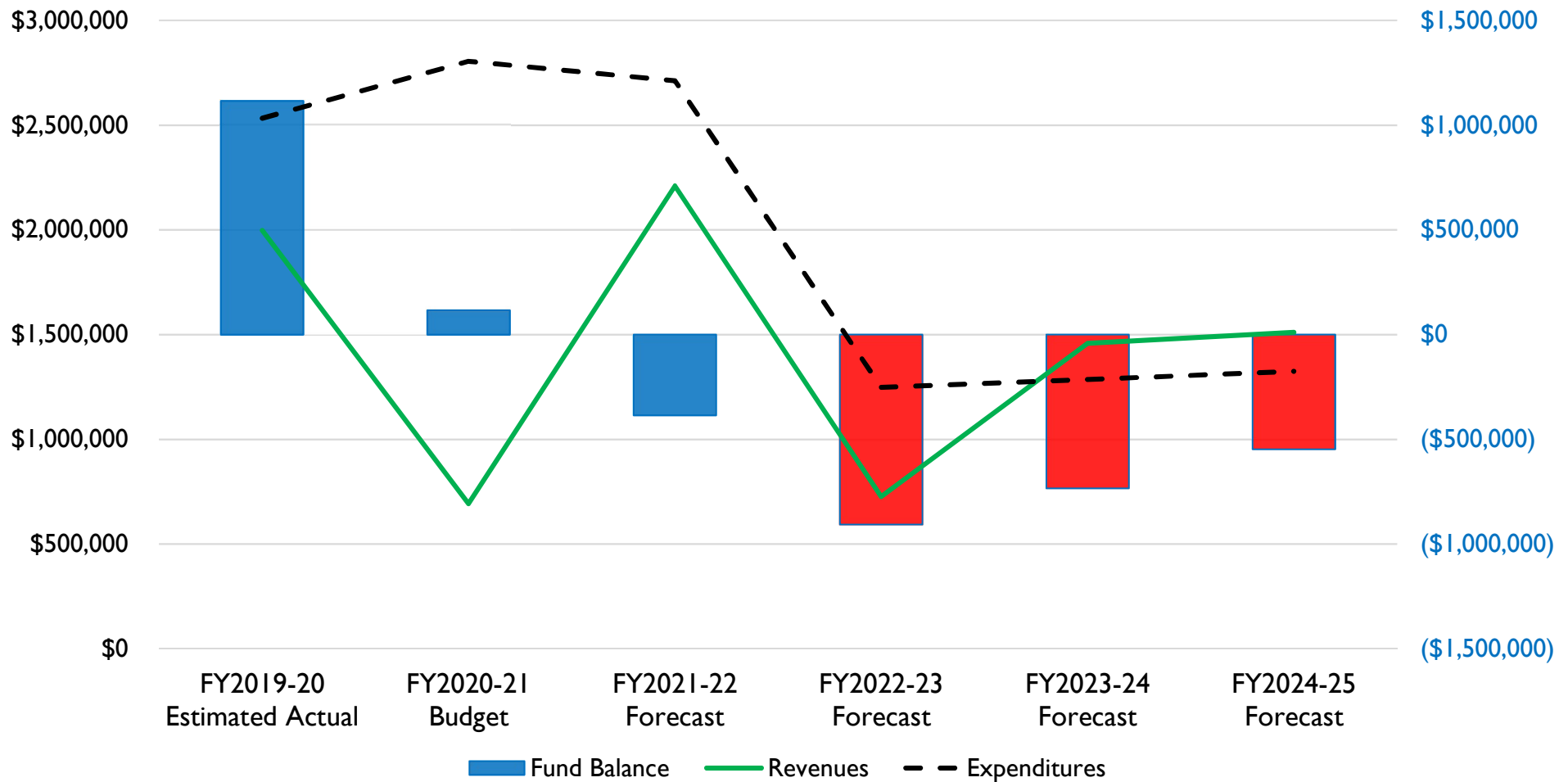
Routine Repair &
Maintenance

Regulatory
Compliance &
Best Management
Practices

Stormwater Long Range Financial Plan



Long-Range Financial Forecast
Stormwater Enterprise Fund



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

Stormwater Enterprise



	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget
Beginning Fund Balance	\$1,650,471	\$1,650,471	\$1,115,995
Total Operating Revenues	679,000	675,000	693,000
Total Operating Expenditures	(1,229,045)	(1,026,056)	(1,154,255)
Operating Surplus / (Deficit)	(550,045)	(351,056)	(461,255)
Total CIP, Debt Proceeds, & Equipment	1,052,795	(183,757)	(538,145)
Ending Fund Balance	\$2,153,221	\$1,115,995	\$116,595

Stormwater Accomplishments & Strategic Initiatives



Accomplishments

- Coordinated multiple storm drain spot repairs
- Installed 199 trash capture devices
- Responded and picked up trash and debris at 2,234 locations
- Maintained self-serve sand bagging station
- Completed 7,291 feet of storm drain video inspections at 61 locations
- Coordinated emergency response to the slope stability work on San Bruno Avenue

Strategic Initiatives

- Spyglass Drive Storm Drain Improvements -- **\$1.5M**
- Develop next phase of trash capture device installations

Stormwater Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues	\$679,000	\$693,000
Expenditures	\$1,229,045	\$1,154,255
Surplus / (Deficit)	(\$550,045)	(\$461,255)

Notable Budget Changes & Service Level Challenges

- Health & pension increases
- Removed prior year contract costs for spot repair
- Inadequate funding to support on-going operations



CityNet Services Department

Sandeep Krishnamurthy
Director



CityNet Services Overview



20.00 FTEs

Broadband
Services

Customer Care &
Support

Optimized
Delivery System

High Speed
Internet Service

Wi-Fi Internet
Service

Voice Over
Internet Protocol
Phone Service
(VoIP)

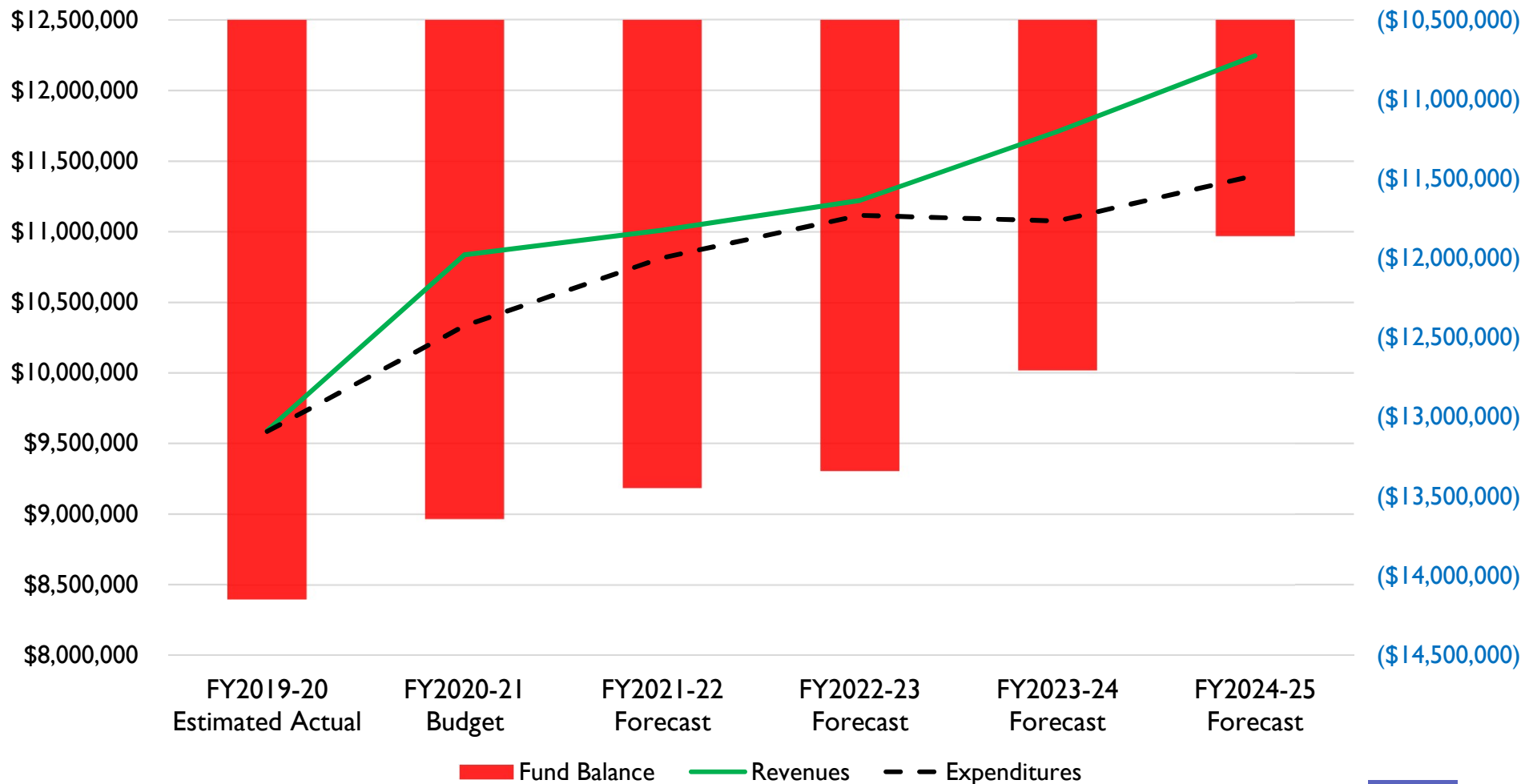
Commercial Voice
& Data Services

Local Origination
Programming

CityNet Services Long Range Financial Plan



Long-Range Financial Forecast
Cable Enterprise Fund



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

CityNet Services Enterprise



	FY2019-20 Amended Budget	FY2019-20 Estimated Actual	FY2020-21 Proposed Budget
Beginning Fund Balance	(\$14,153,026)	(\$14,153,026)	(\$14,146,561)
Total Operating Revenues	9,907,120	9,591,730	10,837,377
Total Operating Expenditures	(9,455,756)	(9,512,590)	(9,979,423)
Operating Surplus / (Deficit)	451,364	79,140	857,954
Total CIP, Debt Proceeds, & Equipment	(884,984)	(72,675)	(354,210)
Ending Fund Balance	(\$14,586,646)	(\$14,146,561)	(\$13,642,816)

CityNet Services Accomplishments



Accomplishments

- Implement enterprise new business plan to focus on higher margin, internet-based business
- Began limited, targeted fiber roll-out on select streets
- Enterprise rebranding
- Channel 1 upgrade to high definition and enable live streaming
- Analyze viewership to reduce TV channel fee loads

Strategic Initiatives

- Identify funding and continue planning efforts for Fiber to the Home (FTTH)

CityNet Services Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues	\$9,907,120	\$10,837,377
Expenditures	\$9,810,846	\$10,287,550
Surplus / (Deficit)	\$96,274	\$549,827

Notable Budget Changes & Service Level Challenges

- Revenue increases from new rate card and changes implemented in FY2019-20
- Health & pension increases
- Programming contract cost savings from recent renegotiations
- Reduced operating expenses to achieve budget savings
- Aging fleet of vehicles



BREAK



VIII. Internal Service Funds / Departments

Internal Service Fund Reserves



Fund	Reserve Policy Target	FY2019-20 Ending Balance	FY2020-21 Ending Balance	Budget Percent of Target
Central Garage	25% of annual, budget expenditures	\$237,376	\$108,935	100%
Building & Facilities	25% of annual, budget expenditures	79,860	248,431	100%
Technology	25% of annual, budget expenditures	128,429	162,361	100%
Self Insurance	N/A	310,889	500,852	N/A
Total		\$756,554	\$1,020,579	100%



Public Works Department Central Garage Division

Jimmy Tan
Director

Central Garage Overview



2.60 FTEs

Provide Employees
with Operable,
Well-Maintained
Vehicles

Preventive
Maintenance &
Repair

Vehicle Acquisition
& Disposal

Support Services

Central Garage

Accomplishments & Strategic Initiatives



Accomplishments

- Coordinate the purchase of 7 vehicles to maintain a reliable City fleet
- Provided maintenance and repair of City's vehicles and equipment

Strategic Initiatives

- Continue to schedule repairs and perform preventative maintenance and identify future replacement

Central Garage Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$883,497	\$575,000
Expenditures	\$711,437	\$704,916
Central Garage Fund Support	(\$172,060)	\$129,916

Notable Budget Changes & Service Level Challenges

- Reduced allocations/recovery due to cost savings in FY2019-20
- Reduced supplies, contract repair, haz-mat and laundry services to achieve budget savings
- 0.25 FTE Facilities and Garage Service Manager position



Public Works Department Building & Facilities Division

Joanne Magrini
Director

Building & Facilities Overview



8.85 FTEs

Maintenance &
Management for
17 facilities

Custodial,
maintenance &
repair

Management &
Supervision of
Construction
Projects

Oversee
Implementation of
ADA Transition
Plan

Building & Facilities Accomplishments & Strategic Initiatives



Accomplishments

- Completed ADA transition plan for all facilities for year 1 upgrades
- Coordinated fire sprinkler inspection and maintenance
- Replaced HVAC in Police server room

Strategic Initiatives

- ADA Compliance at City buildings and facilities for year 2
- Oversee parking lot and trash enclosure improvements at the Senior Center
- Oversee repaving and restriping of Senior Center parking lot
- Oversee repairs for Tom Lara Field grandstand
- Oversee replacement/repair of HVAC and roof at Police Department
- Oversee sewer line replacement at Police Department

Building & Facilities Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$1,805,676	\$1,724,000
Expenditures	\$1,512,032	\$1,559,219
Building & Facilities Fund Support	(\$293,644)	(\$164,781)

Notable Budget Changes & Service Level Challenges

- 0.75 FTE for Facilities & Garage Services Manager
- Additional funds for emergency repairs to facilities, equipment and fixtures



Information Technology Division

Sandeep Krishnamurthy
Director

Technology Overview



3.00 FTEs

Manage &
Maintain City's
Core IT
Infrastructure

Network & Data
Security

Centralized
Service Desk

Business
Applications &
Management

City Department
Solutions
Management

Centralized
Phone
Management

Website
Development &
Administration

Technology Accomplishments



- Citywide installation of new network router, switches and firewalls
- Conducted citywide email security training
- Installed smart whiteboard screens in City Hall
- Document management project with Public Works to scan, digitize and index engineering drawings
- Update various city GIS maps
- Completed pilot project to digital developer/drawing plan review
- Upgraded Wi-Fi communications in the Emergency Operations Center and throughout City Hall
- Renegotiated citywide copier/scanner lease to achieve savings and deploy advanced functions

Technology Strategic Initiatives



- Implement a citywide business continuity and disaster recovery project
- Conduct strategic software needs assessment
- Migration to “paperless” office plan
- Upgrade desktops from Citrix to Microsoft Office 365 for better collaboration
- Replace Storage Access Network (SAN)

Technology Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$1,012,889	\$1,037,753
Expenditures	\$986,868	\$1,058,000
Technology Fund Support	(\$26,021)	\$20,247

Notable Budget Changes & Service Level Challenges

- Cisco hardware and managed service increases
- Reduced GIS professional service expenses
- Citywide network support costs included
- Review Citrix system for replacement



Self Insurance Fund

Marc Zafferano
City Attorney



Self Insurance Fund Overview

Worker's Compensation Claims

- Self-insurance covers medical, disability, salary continuation and legal costs
- General & Enterprise Fund contributions

General Liability

- Joint Power Authority member, public liability & physical damage
- General & Enterprise Fund contributions

Unemployment Insurance

- Employee obligations mandated by the State
- General & Enterprise Fund contributions

Self Insurance Accomplishments & Strategic Initiatives



Accomplishments

- Provides insurance protection for workers' compensation, public liability & physical damage claims
- Provides employer obligations for State unemployment insurance
- Only 41 claims received in FY2019-20

Strategic Initiatives

- Maintain adequate coverage at competitive cost

Self Insurance Budget



Item	FY2019-20 Amended Budget	FY2020-21 Proposed Budget
Departmental Revenues / Recovery	\$2,246,554	\$2,846,554
Expenditures	\$2,445,368	\$2,656,591
Self Insurance Fund Support	\$198,814	(\$189,963)

Notable Budget Changes & Service Level Challenges

- Increased department allocation to achieve additional balance in the Self-Insurance Fund
- Increased General Liability Premiums due to increased property values
- No major changes in other annual premiums



IX. Additional Questions and Next Steps

Additional Questions and Next Steps

